

**ATTESTATION REPORT  
OF  
CITY OF OMAHA FIRE DEPARTMENT  
FEBRUARY 1, 2011 THROUGH JANUARY 31, 2012**

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**Issued on June 5, 2012**

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# CITY OF OMAHA FIRE DEPARTMENT

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# CITY OF OMAHA FIRE DEPARTMENT

## BACKGROUND

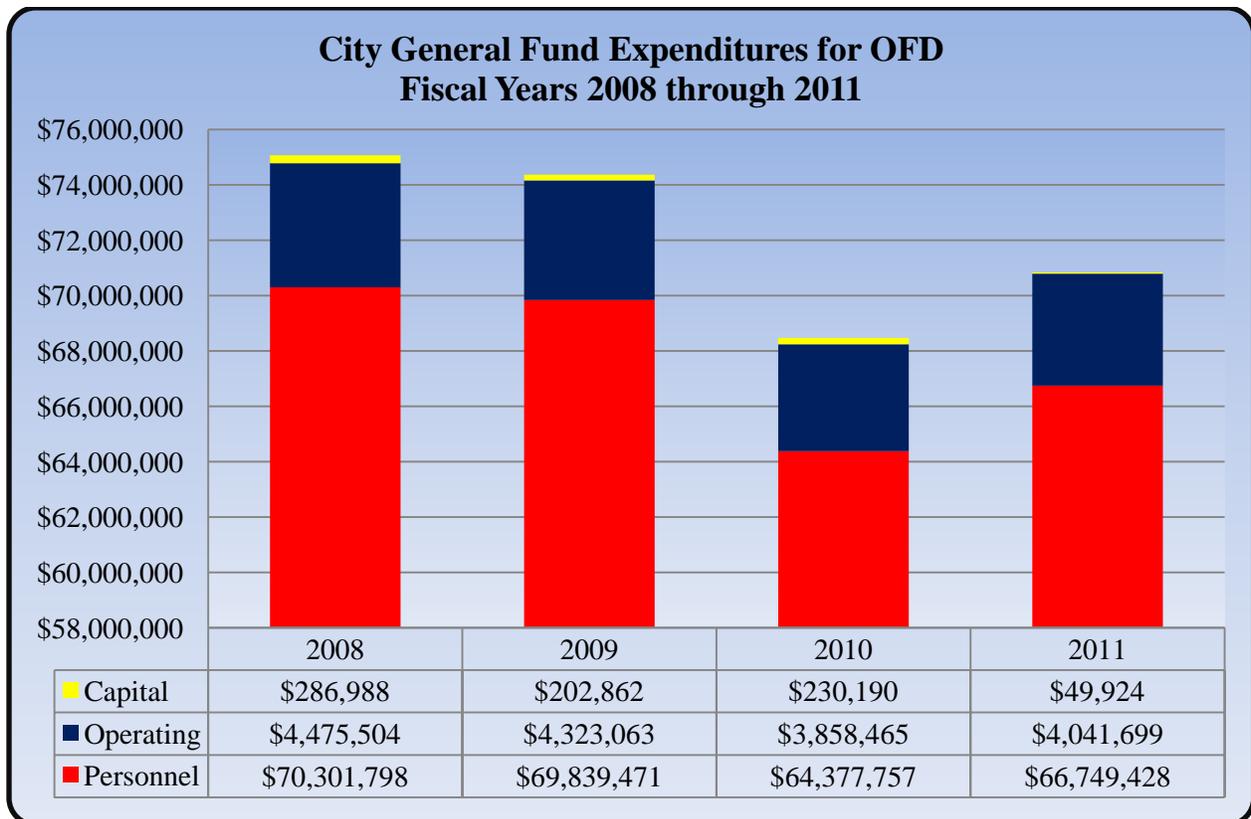
According to the City of Omaha's (City) web page, at <http://www.cityofomaha.org>:

*“Omaha was founded in 1854 and is the largest city in the state of Nebraska. Omaha is the nation’s 42nd largest city with a population of 427,872. The City of Omaha operates under a Mayor-Council form of government. The mayor and the seven City Council members are elected to four year terms.”*

The Omaha Fire Department (OFD) is just one of the City’s numerous departments, such as: City Clerk, City Council, Convention and Visitors Bureau, Finance, Human Resources, Law, Library, Mayor, Parks & Recreation, Planning, Police, Public Works, and Purchasing.

The web page for the OFD, at <http://omaha-fire.org>, explains the OFD’s mission as providing “fire, rescue, emergency medical and support services to all citizens and visitors in the Omaha Metropolitan area . . .”

The following table illustrates the City General Fund expenditures for OFD:



*Note: The figures for 2011 are for the 12 month period February 1, 2011, through January 31, 2012, which is not the same period as the City’s fiscal year (January through December).*

*Source: The amounts from fiscal years 2008 through 2010 come from the OFD website at <http://omaha-fire.org/images/stories/FIRE%20DEPARTMENT%20BUDGET%201.0.pdf>. The APA obtained the 2011 amounts from the OFD’s accounting information.*

# CITY OF OMAHA FIRE DEPARTMENT

## BACKGROUND

(Continued)

The amount of wages included in the Schedule of Employee Wages for 2011 was \$46,879,971. This period under examination covers February 1, 2011, through January 31, 2012 (2011P), which is different than the City’s fiscal year end.

Description	For the Period February 1, 2011, through January 31, 2012
Total OFD Personnel Expenditures as noted above.	\$ 66,749,428
Personnel expenditures, primarily pension and insurance costs, not tested by APA.	(19,273,746)
Negative expenditure recorded for payment of services provided to the Elkhorn Suburban Fire Protection District. That remuneration reduced the amount of total OFD expenditures. (Note 1)	2,359,702
OFD’s annual accrual of wages, not tested by APA	(2,955,413)
<b>Actual Wages as reported on Schedule of Employee Wages</b>	<b>\$ 46,879,971</b>

Note 1: See the Comments and Recommendations section for further information.

The 2011P City’s general fund operating expenditures of \$4,041,699 for the OFD, as shown above, includes payments to vendors, as well as intergovernmental department (internal City billing between departments) and employee payments for such items as fuel, equipment repair and maintenance, uniform allowance, and mileage. The Listing of Vendor Payments on **Exhibit A** does not include the intergovernmental department and employee payments. **Exhibit A** only reflects the \$2,192,868 paid directly to outside vendors from the City’s general fund for the OFD and \$2,639,352 paid to outside vendors from other funds for the OFD, primarily the City’s 2006 Public Safety Fund, for a total of \$4,832,220.

Employees of the OFD are represented by the Omaha Professional Firefighters Union (Union), International Association of Fire Fighters (IAFF) Local 385, for the purpose of collectively bargaining with the City regarding wages and working conditions. Wages for all OFD personnel, except the Fire Chief and three Assistant Chiefs, are covered by the 2002-2007 labor agreement between the City and the Union, as well as subsequent Commission of Industrial Relations (CIR) rulings for 2008 and 2009 for back pay and wage adjustments. There are also pending cases with the CIR for back pay and wage adjustments for 2010 and 2011.

The OFD employees are generally classified as working in two distinct areas, suppression and bureau. Suppression employees comprise the majority of the OFD’s personnel and are assigned to various apparatuses and fire stations. The primary duty of these employees is to suppress fires. Employees on suppression duty work 24-hour shifts every other day, followed by 5 days off during a 15-day period, or “set.” There are three different shifts for suppression employees. Bureau employees are generally assigned to the OFD headquarters and perform primarily administrative functions. Employees assigned to the bureau work 40 hours per week.

# CITY OF OMAHA FIRE DEPARTMENT

## BACKGROUND (Continued)

The following table illustrates the OFD’s staffing levels by job title for the periods identified:

<b>OFD Staffing Levels as of January 19, 2011 and January 23, 2012</b>		
<b>Job Title</b>	<b>January 19, 2011</b>	<b>January 23, 2012</b>
Fire Chief*	1	1
Assistant Chief (AC)*	2	3
Assistant Fire Marshal (AFM)	2	2
Battalion Chief (BC)	27	27
Paramedic Shift Supervisor (PSS)	3	3
Drill Master (DM)	1	1
Fire Captain (Capt)	149	142
Fire Apparatus Engineer (FAE)	106	101
Firefighter Shift A (FF)	120	117
Firefighter Shift B (FF)	115	116
Firefighter Shift C (FF)	112	109
Firefighter Bureau (FB)	2	2
Contract Doctor	1	1
<b>Total</b>	<b>641</b>	<b>625</b>

*Source: Battalion Roster*

*\* The Fire Chief and the Assistant Fire Chiefs are under a separate contract, the Fire Management Contract.*

The following table shows the number of “front line” vehicles – as opposed to those vehicles used for training and other purposes - utilized by the OFD to provide fire and rescue services to the community.

<b>OFD Front Line Vehicles In-Service as of January 19, 2011 and January 23, 2012</b>		
<b>Description</b>	<b>January 19, 2011</b>	<b>January 23, 2012</b>
Fire Cars	9	9
Battalion Chief SUV	6	6
Fire Engine	25	25
Medic/Ambulance	15	15
Aerial/Ladder Truck	9	8
Rescue/Hazmat Unit	3	2
Shift Supervisor SUV	1	0
Water Truck	0	1
<b>Total</b>	<b>68</b>	<b>66</b>

The following table illustrates the total number of vehicles maintained by the OFD as of January 23, 2012. These vehicles, which were owned by the OFD as of January 23, 2012, include both the vehicles noted in the table above, and those vehicles held in reserve in case a front line vehicle requires service. The following table also includes vehicles used for training and other purposes.

<b>Total OFD Equipment as of January 23, 2012</b>	
<b>Description</b>	<b>January 23, 2012</b>
Battalion Chief SUV	7
Fire Engine	39
Medic/Ambulance	22
Aerial Trunk/Ladder Truck	13
Rescue/Hazmat Unit	7
Shift Supervisor SUV	1
Water Truck	2
Fire Cars	40
Mobile Command RV	1
Training Car	5
Other Vehicles	5
<b>Total</b>	<b>142</b>

# CITY OF OMAHA FIRE DEPARTMENT

## BACKGROUND

(Continued)

### Payroll Process

The OFD's payroll process is highly complex and varies for suppression and bureau employees.

**Suppression:** Company Officers, House Captains, and Battalion Chiefs are responsible for ensuring that all suppression employees are accounted for each day. Roll call is held each morning and employees present are required, by the OFD Accountability Procedures, to sign the Operational Day Book for the service vehicle to which they have been assigned. All hours worked, as well as any leave used, trade time or employees split to another station, are entered into Fire Records Management System (RMS), a computer database used to record all activity of an in-service apparatus, including, staffing, calls made, repairs, and servicing. The City and the OFD consider RMS to be the official record of suppression employees' time worked and leave used. After the information is entered into RMS each day, the Assistant Chiefs (AC) electronically prepare an OFD-68, or Daily Suppression Leave Report, which records all suppression employees who were on any type of leave. The OFD-68 also records overtime, call backs, or injuries each day.

The completed OFD-68 is sent to the City Payroll Clerk who compares the report with supporting documentation, such as leave slips, overtime reports, trade time agreements, etc. Any discrepancies noted are sent back for resolution to the AC responsible for that shift. Once all of the issues are resolved, the final OFD-68 is printed and maintained with the original OFD-68 and discrepancies. A copy is sent to the AC via email.

**Bureau:** On a daily basis, bureau employees are required to complete an OFD-3, which is a time and attendance report that records hours worked and leave used and is signed by a supervisor at the end of each pay period. The Battalion Chiefs provide the OFD Accountant with the OFD-3s and leave slips for all bureau employees. The OFD Accountant uses that information to prepare the OFD-65, Bureau Manpower Report. This report records the hours worked and leave used by all bureau employees and is sent to the City Payroll Clerk.

The City Payroll Clerk compares the OFD-65 to supporting documentation, such as leave slips and overtime reports. If discrepancies are noted, a discrepancy report is created and sent to the OFD Accountant for resolution. The OFD Accountant works with the Bureau Chiefs or other personnel necessary to correct the OFD-65. Once all issues are resolved, the final copy is printed and a copy of the original and final OFD-65 is sent, along with the discrepancy list, to the appropriate AC via email.

Before payroll is processed each pay period, the City Payroll Clerk prepares a preprocess report, which is sent to the OFD Accountant. The OFD Accountant reviews the report for all bureau employees but reviews only a few suppression employees each pay period for accuracy. After the report is reviewed, the OFD Accountant sends it back to the City Payroll Clerk for final processing.

# CITY OF OMAHA FIRE DEPARTMENT

## BACKGROUND

(Continued)

### Types of Pay

The complexity of the OFD's payroll process is due to the various types of pay received. In addition to regular wages and leave payments, employees are eligible to receive the following:

- Bi-weekly Holiday – Holiday hours distributed and paid evenly throughout the year. Each biweekly pay period includes these bi-weekly holiday hours, paid at the regular rate of pay, for both suppression and bureau employees. Suppression employees are generally required to work if a holiday falls on the scheduled work day, while bureau employees generally do not work on the holiday but receive holiday pay for that day. Therefore, this pay is in addition to the regular holiday pay received by bureau employees.
- Bureau Allowance – All bureau employees, whether detached or permanently assigned, receive an additional \$92.31 per biweekly pay period.
- Call Back (Minimum Manning) – Hours worked during off-duty periods when an employee is called in to fill a needed position. Call back hours worked are paid at a minimum of straight time for 4 hours, or time and a half for the actual number of hours worked, whichever is greater. This does not include scheduled work outside the employee's normal shift.
- Cell Phone Allowance – Up to \$30 per month, or \$13.85 per biweekly pay period for reimbursement of cell phone expenses, if it is determined by the Fire Chief or AC that the performance of an employee's normal work activities requires the use of a cell phone.
- Emergency Medical Technician (EMT) - Paramedic Pay – Pay provided to employees who are Nebraska state-certified paramedics. All state-certified paramedics currently receive an additional stipend equaling 7% of their base biweekly pay. Additionally, any Nebraska state-certified paramedic who is permanently assigned to a medic unit, or to the EMS, Safety or Training bureau, receives an additional 3% for each hour worked on the Medic Unit, for a total of 10%, of his or her base biweekly pay.
- Fair Labor Standards Act (FLSA) – In accordance with 29 U.S.C. § 207(k) of the Fair Labor Standards Act, firefighters receive one and one-half times their regular rate of pay if they work in excess of 212 hours in a 28-day period. The pay is retroactive and is paid every other pay period.
- Hazardous Materials (Haz Mat) Pay – Any employee at any rank who successfully completes the Haz Mat module becomes a Special Operations Technician. An employee is considered to have successfully completed the Haz Mat module when he or she provides to the Fire Chief evidence that the employee has successfully completed all training, which can be accomplished by attending a 40 hour hazardous material technician or equivalent level course. Additionally, employees must continue participating in the module. These employees are eligible to receive 2% of their base biweekly pay. Any employee who is permanently assigned to Haz Mat duty receives an additional 2% for each hour worked on Haz Mat duty, for a total of 4%, of his or her base biweekly pay.
- Injured on Duty (IOD) – Employees injured while on duty receive this pay, which is an amount equal to the difference between their regular biweekly pay and the amount paid by the City's third party worker's compensation provider.

# CITY OF OMAHA FIRE DEPARTMENT

## BACKGROUND

(Continued)

- Injured on Duty Reduction – IOD pay is not subject to Federal or State taxes; therefore, this pay type is a reduction of an employee's pay by the amount of federal and state taxes that would have been paid on the employee's regular wages. The purpose of this pay type is to maintain the same level of net pay as if the employee had been paid for regular hours worked.
- Longevity – Extra pay received based on an employee's total time of service with the OFD beginning after five years. This pay ranges from \$24.46 per pay period to \$211.69 per pay period for the various positions and years of services within the OFD.
- Military Leave – Fire suppression employees are eligible for 180 hours of paid military leave. The City allows employees to use this leave in any increment in order to maintain City benefits while on extended Military leave.
- Overtime – Suppression employees who perform work in excess of a normal duty shift, such as being held over the regular shift, are compensated at one hour of straight time or one and one-half times the actual number of hours worked in excess of the normal duty shift, whichever is greater. (This does not apply to the minimum staffing provisions, such as when employees are called in to a shift during an off-duty period.)
- Paramedic Student – An additional 10% of base hourly pay received by a paramedic, in addition to the regular EMT pay received, when only one certified EMT paramedic works on a medic unit training an EMT student.
- Rescue 32 – An additional \$200 per month, or \$92.31 per pay period, for employees assigned to Rescue 32, an Air Bottle truck, per the labor agreement. According to the OFD, this apparatus was moved from R32 to R51. Employees working on this apparatus are required to have a special certification.
- Trade time – Suppression employees are allowed to trade regular work days with employees on a different shift. Such trades do not affect an employee's pay.
- Tuition Reimbursement – Employees are reimbursed for the full tuition cost and related fees, excluding books and parking, for obtaining a Fire Protection Technology degree.
- Uniform Allowance – Each employee receives a \$417 per year (\$16.04 per pay period) uniform allowance.
- Worker's Compensation – As required by Neb. Rev. Stat. § 48-106 (Reissue 2010) of the Nebraska Workers' Compensation Act, the City provides workers' compensation to employees injured on duty.
- Working out of Class (WOC) – The OFD employees working in a classification above their normal rank for one full duty shift are paid at the higher classification pay rate for the number of hours worked out of class.

The following examples of actual OFD employees' paystubs provide a general idea of how the additional pay types set out above can affect employees' wages.

The first example is for an employee covered under the 2008 CIR Ruling for this time period. The employee is paid \$2,281.44 for regular wages per pay period. Because the employee is a 24-hour employee, the hourly rate of regular pay fluctuates every three pay periods. The 24-hour

# CITY OF OMAHA FIRE DEPARTMENT

## BACKGROUND

(Continued)

employees work 103, 113, and 120 hours every three pay periods. Therefore, the average hourly rate of pay is \$20.37 and is used to calculate overtime payments. This differs from the rate of regular pay for this time period, in which 113 hours were worked, for \$20.19 per hour. Additionally, the APA only included the actual number of hours worked, in the “Current Hours” column.

<b>Suppression Fire Fighter Step F - Pay period ended April 30, 2011</b>			
<b>Pay Type</b>	<b>Current Hours</b>	<b>Current Amount</b>	<b>Percentage of Total Pay</b>
Regular	113	\$2,281.44	72.5%
Longevity	0	\$25.50	.8%
Bi-weekly Holiday	0	\$86.17	2.7%
Call Back – MM (1.5x)	12	\$366.66	11.6%
Overtime Pay (1.5x)	3.5	\$106.94	3.4%
FLSA Pay	0	\$51.98	1.6%
Paramedic - Certified	0	\$159.70	5.1%
Paramedic - Assigned	0	\$52.16	1.7%
Uniform Allowance	0	\$17.73	.6%
<b>Earnings Totals</b>	<b>128.5</b>	<b>\$3,148.28</b>	<b>100%</b>

This second example is for an employee covered under the 2008 CIR ruling for this time period. The employee is paid \$2,619.68 for regular wages per pay period. Because the employee is a 24-hour employee, the hourly rate of regular pay fluctuates every three pay periods. The 24-hour employees work 103, 113, and 120 hours every three pay periods. Therefore, the average hourly rate of pay is \$23.39 and is used to calculate overtime payments. This differs from the rate of regular pay for this time period, in which 120 hours were worked, for \$21.83 per hour. Additionally, the APA only included the actual number of hours worked, in the “Current Hours” column.

<b>Suppression Fire Captain Step C - Pay period ended April 30, 2011</b>			
<b>Pay Type</b>	<b>Current Hours</b>	<b>Current Amount</b>	<b>Percentage of Total Pay</b>
Regular	120	\$2,619.68	75.3%
Longevity	0	\$41.12	1.2%
Bi-weekly Holiday	0	\$98.94	2.8%
Overtime Pay (1.5x)	2.25	\$78.94	2.3%
FLSA Pay	0	\$344.58	9.9%
Haz Mat - Assigned	0	\$41.91	1.2%
Paramedic – Certified	0	\$183.38	5.3%
Haz Mat – Certified	0	\$52.39	1.5%
Uniform Allowance	0	\$17.73	.5%
<b>Earnings Totals</b>	<b>122.25</b>	<b>\$3,478.67</b>	<b>100%</b>

A final example is for an employee covered under the 2008 CIR ruling for this time period. Additionally, the APA only included the actual number of hours worked, in the “Current Hours” column.

# CITY OF OMAHA FIRE DEPARTMENT

## BACKGROUND

(Continued)

<b>Bureau Battalion Chief Step C - Pay period ended April 30, 2011</b>			
Pay Type	Current Hours	Current Amount	Percentage of Total Pay
Regular	80	\$3,315.20	88.4%
Longevity	0	\$113.46	3.0%
Bi-weekly Holiday	0	\$146.28	3.9%
Haz Mat – Certified	0	\$66.30	1.8%
Bureau Allowance	0	\$92.31	2.4%
Uniform Allowance	0	\$17.73	.5%
<b>Earnings Totals</b>	<b>80.00</b>	<b>\$3,751.28</b>	<b>100%</b>

None of the examples above included working out of class (WOC) pay. The following table compares the number of current WOC hours with those of prior periods:

<b>Working Out of Class Hours and Pay</b>			
	<b>December 8, 2008, through November 9, 2009 (11 Months)</b>	<b>November 10, 2009, through July 10, 2010 (8 Months)</b>	<b>February 1, 2011, through January 31, 2012 (12 months)</b>
Number of Employees with WOC pay	92	272	274
Total WOC Hours Worked	75,278	55,865	80,247
Total WOC Compensation	\$163,702	\$78,012	\$83,642
Average Number of WOC Hours per employee with WOC pay	818	205	293
Average WOC Compensation per employee with WOC pay	\$1,779	\$287	\$305

### Fire Management Employees

Under 29 C.F.R. § 541.3(b)(2), fire management employees, consisting of the Fire Chief and the three ACs, are exempt from the Fair Labor Standards Act. Additionally, because they operate under a separate contract, the Fire Management Contract, these managers are entitled to different pay types than the bureau and suppression employees, as follows:

- Commute – In accordance with IRS rules, fire management employees who are allowed to use a City-owned vehicle to commute between their homes and work have \$3 per working day added to their gross wages to be included as taxable income.
- College – Fire management employees with a bachelor’s degree are paid an additional \$50 per pay period, while fire management employees with a master’s degree are paid an additional \$60 per month.
- FM Uniform – Similar to the uniform allowance received by other OFD employees, Fire management employees currently receive \$660 per year, or \$25.38 per pay period, as a uniform allowance.

# CITY OF OMAHA FIRE DEPARTMENT

## BACKGROUND

(Continued)

The fire management employees also receive the following leave benefits:

- Annual Leave – Section 23-550(a) of the Omaha Municipal Code provides each fire management employee vacation leave at the following rates:

For employees assigned to a **40-hour week** – 3.69 hours per pay period for employees with less than five years of City service, 6.93 hours per pay period for employees with five or more years of City service.

For employees assigned to a **56-hour week** – 5.54 hours per pay period for employees with less than five years of City service, 9.23 hours per pay period for employees with five or more years of City service.

Subsection (b) of that same section of the municipal codes allows the carryover of up to 280 hours of vacation leave each calendar year. Fire management employees assigned to a 24-hour shift, are allowed to carryover up to 420 hours of unused vacation leave each calendar year.

Section 23-566 of the Omaha Municipal Code permits fire management employees to sell back annual leave, as follows:

*“(1) If a fire management employee has 15 years or more of full-time classified city service on the last day of the previous payroll year; and (2) if such fire management employee has the maximum number of annual leave hours accrued on the last day of the previous payroll year . . . after deducting all of the annual leave hours used of less than a work day in the previous payroll year, then the fire management employee may turn in 40 hours (no more, no less) of accrued annual leave in return for cash payment at the employee’s then current base pay. This annual leave sell back must be requested by the employee within the first 15 days of March of the first 15 days in September.”*

Finally, Section 23-346 of the Omaha Municipal Code provides:

*“Any employee who resigns or is separated from the city service, except in cases where the employee has been guilty of fraud or other activities resulting in monetary loss to the city, shall be entitled to cash compensation for unused annual leave.”*

- Sick Leave – Section 23-362 (E) of the Omaha Municipal Code grants each fire management employee sick leave at the following rates:

For employees assigned to a **40-hour week** – 6 hours of sick leave each pay period of service.

For employees assigned to a **56-hour week** – 9 hours of sick leave for each pay period of service.

Section 23-363(E) of the Omaha Municipal Code allows fire management employees to:

*“. . . [A]ccrue sick leave to a maximum of 4,800 hours; provided that any such employee who shall maintain 2,400 hours of accrued sick leave shall receive three additional hours of annual leave per pay period to a maximum of 72 hours in a calendar year.”*

# CITY OF OMAHA FIRE DEPARTMENT

## BACKGROUND

(Continued)

The same section continues:

*“Any fire management employee assigned to a 40-hour work week may accrue sick leave to a maximum of 3,200 hours, provided that any such employee who shall maintain 1,600 hours of sick leave shall receive two additional hours of annual leave for such pay period of service.”*

Section 23-369(E) of the Omaha Municipal Code allows for the payment of accumulated sick leave in accordance with the following schedule:

For **40-hour week** employees – One for one payment for the first 1,200 hours, then one to four for 1,201 hours up to the maximum of 3,200 hours.

For **56-hour week** employees – One for one payment for the first 1,800 hours, then one for four for 1,801 up to the maximum of 4,800 hours.

- Personal Days – Section 23-567 of the Omaha Municipal Code provides fire management employees six personal days off per year.
- Management Leave with Pay – Section 23-343(D) of the Omaha Municipal Code states:

*“On the first day of the payroll year, fire management employees assigned to 40-hour work weeks shall receive five days of leave with pay, to be used at their discretion after having first obtained approval of their immediate supervisors. On the first day of the payroll year, fire management employees assigned to 56-hour work weeks shall receive 72 hours leave in addition to the leave as provided by this division, to be used at their discretion after having first obtained approval of their immediate supervisors.”*

Section 23-251(d) of the Omaha Municipal Code provides, in relevant part:

*“Absences for less than a workday shall be documented by submission and approval of a ‘request for leave’ form, [sic] however, any approved absences less than a workday shall not be deducted from accrued paid leave time.”*

Therefore, any leave used that is less than a full day is not required to reduce the amount of annual and sick leave balances. The OFD records this type of leave as exempt leave.

During the pay periods tested, the Fire Chief was the only employee to use this leave provision, recording three hours of exempt leave in two different pay periods for a total of six exempt hours.

### Follow-up of Previous Work by APA

In 2010, the Nebraska Auditor of Public Accounts (APA) performed limited inquiries and evaluations of the financial information and activity of the OFD for the period January 1, 2007, through June 30, 2010. At that time, the OFD’s payroll records were not in an auditable condition. The resulting management letter contained the following comments and recommendations:

# CITY OF OMAHA FIRE DEPARTMENT

## BACKGROUND

(Continued)

1. Suppression Process Firefighters Hours Worked and Leave Used: Actual hours worked were not documented, as firefighters did not sign in and out of shifts or use any type of time cards.
2. Suppression Process Firefighters Trade Time: The OFD was unable to locate any trade time agreements, or the agreements were simply not filed.
3. Suppression Process Firefighters Pay Testing: Firefighter pay was not in compliance with the labor agreement.
4. Bureau Employees Hours Worked and Leave Used: No official record existed of time worked or leave used for bureau employees.
5. Working Out of Class: No documentation was on file to determine whether the working out of class payments were appropriate and in accordance with the labor agreement. Additionally, employees were working out of class for extended periods of time – up to 20 months.
6. Union Leave Hours: There was very little documentation regarding union hours, or union hours could not be traced to leave slips. Union hours for the purpose of negotiations were not tracked in order to determine compliance with the labor agreement provisions.
7. Payroll Segregation of Duties: A lack of segregation of duties over the payroll process existed, and much of the payroll information was input manually.

Details on these comments and recommendations can be found in the APA's October 28, 2010, management letter. The APA's overall conclusion from that management letter stated the following:

*“While evaluating the payroll procedures and records, we noted the Department has almost no internal controls over the payroll process. In addition, supporting documentation for amounts paid was woefully inadequate. In many instances, the Department was unable to produce documentation for leave and working out of class paid. There appears to be no useful documentation of hours worked by staff, and any documentation that is available is not consistently used in the preparation of payroll. Since July 2009, the City Finance Department has taken great strides by trying to implement better internal controls and procedures. While improvements appear to be occurring, the above recommendations still need to be addressed.*”

*While we noted several findings and recommendations, we do not feel a full attestation review or audit would be a wise use of public resources at this time as certain key records – particularly in the payroll area – are not in an auditable condition. We believe it is essential that follow-up auditing work be conducted at a later date to ensure correction of the issues raised herein. We are aware the City is implementing new procedures regarding the Department and we plan to monitor the situation.”*

On February 16, 2011, in response to the management letter issued by the APA, the OFD implemented “GO FC 2011-04 OFD Accountability Procedures.” This document can be found in **Attachment A**.

# CITY OF OMAHA FIRE DEPARTMENT

## **BACKGROUND**

(Continued)

The APA performed this attestation of the OFD's Schedule of Employee Wages to follow-up on our findings and recommendations contained in the above-referenced management letter. In addition, the APA's attestation included a Listing of OFD's Vendor Payments in order to examine the OFD's procurement procedures.

# CITY OF OMAHA FIRE DEPARTMENT

## EXIT CONFERENCE

An exit conference was held on May 24, 2012, with representatives of the OFD to discuss the results of our examination. Those in attendance for the City and the OFD were:

<b>NAME</b>	<b>TITLE</b>
Eric Carlson	City Purchasing Agent
Pat Burke	City Purchasing Agent
Bernard in den Bosch	Assistant City Attorney
Pam Spaccarotella	City Finance Director
Allen Herink	City Comptroller
Bobbie King	City Accountant
Deb Sander	City Payroll Manager
Aida Amoura Rezac	Mayor's Communications Director
Mike McDonnell	Fire Chief
Dan Stolinski	Assistant Chief
Scott Baughman	Assistant Chief
Shane Hunter	Acting Assistant Chief

# CITY OF OMAHA FIRE DEPARTMENT

## SUMMARY OF COMMENTS

During our examination of the OFD, we noted certain deficiencies in internal control and other operational matters that are presented here.

These comments and recommendations are intended to improve the internal control over financial reporting or result in operational efficiencies in the following areas:

1. *OFD Payroll Procedures*
2. *OFD Payroll Testing*
3. *City's OFD "Open Orders"*
4. *Payments Received from the Elkhorn Suburban Fire Protection District (ESFPD)*
5. *OFD Board-Up Vendors List*

More detailed information regarding the above items is provided hereafter. It should be noted that this report is critical in nature, as it contains only our comments and recommendations on the areas noted for improvement and does not include our observations on any accounting strengths of the OFD.

Draft copies of this report were furnished to the OFD to provide them an opportunity to review the report and to respond to the comments and recommendations included in this report. All formal responses received have been incorporated into this report. Where no response has been included, the OFD declined to respond. Responses have been objectively evaluated and recognized, as appropriate, in the report. Responses that indicate corrective action has been taken were not verified at this time, but will be verified in the next examination.

# CITY OF OMAHA FIRE DEPARTMENT

## COMMENTS AND RECOMMENDATIONS

### 1. OFD Payroll Procedures

The APA reviewed the payroll procedures implemented by the OFD since our prior visit and found the following issues:

#### Manual Payroll Procedures

Although the OFD improved the recording of actual hours worked and leave used for its firefighters, the payroll process for suppression employees was still reliant on many manual steps, which increased the risk for processing errors.

- Suppression employees' time worked and leave used was manually entered into the RMS database at each fire station.
- All suppression employees' leave used was manually recorded on the OFD-68, Daily Suppression Leave Report, at the end of each shift.
- The City Payroll Clerk manually entered the leave used from the OFD-68 into the City's payroll system.
- Before each payroll is processed, the OFD Accountant received a "Preprocess Report" from the City Payroll Clerk and reviewed only a limited number (three to five) of firefighters' leave used and overtime earned to ensure the hours were correctly entered into the payroll system. It does not appear this review would ensure whether overtime was properly recorded as Overtime 1.0 or Overtime 1.5.
- Each month, a City payroll analyst determined the necessary changes to longevity pay. The manual changes made to the system were not reviewed to determine whether all changes were accurately made.

Similarly, the payroll process for bureau employees was also reliant on manual steps. Bureau employees manually entered time worked and leave used on a Time and Attendance Record, which the OFD Accountant used to manually enter all time worked and leave used into the OFD 65, Bureau Manpower Report. The City Payroll Clerk also manually entered the leave used, as recorded on the OFD-65, into the City's payroll system.

Good internal controls require that manual entries be reviewed and approved prior to processing. There is an increased risk for errors to occur and remain undetected without an adequate review of manual entries into the system.

#### Working Out of Class Documentation

Working out of class is defined in Article 28 of the 2002 – 2007 labor agreement between the City and the Union as:

*"Any time a member is called upon to perform the function of, and assumes the responsibility of, a higher classification for a period of one full duty shift, he/she shall receive the pay of the classification starting on the second consecutive duty shift worked and shall continue to be paid until such time as he/she is relieved of the functions and responsibilities of the higher classification."*

# CITY OF OMAHA FIRE DEPARTMENT

## COMMENTS AND RECOMMENDATIONS

(Continued)

### 1. OFD Payroll Procedures (Continued)

The OFD's Accountability Procedures (See **Attachment A**) for working out of class states, "Working out of class in the Bureau shall follow Article 28 of the existing CBA. All individuals working out-of-class in the Bureau shall be approved by the Fire Chief."

The APA reviewed working out of class payments made to two Battalion Chiefs and was informed the Fire Chief's approval of working out of class was not documented.

Good internal control requires adequate documentation to support procedures performed. Without adequate documentation of the working out of class approval, there is an increased risk that not all working out of class hours will be properly approved.

#### Operational Day Books

The OFD's recently implemented "GO FC 2011-04 OFD Accountability Procedures" appear to indicate that the Operational Day Books are an integral part the OFD's payroll process, as these Operational Day Books are mentioned throughout the procedures. For example, the following is found on page 1:

*"At the beginning of each shift, the Company Officers will conduct a roll call to verify who is on duty. The Company Officers will then enter roll call and have all personnel sign into the Operational Day Book."*

Likewise, page 1 also indicates:

*"Once notified of a repositioning assignment, the Company Officer will notify the individual of his/her repositioning assignment, and immediately document the repositioning in **BOTH** the Operational Day Book and RMS. The employee that is being repositioned will sign out of the Operational Day Book . . . [T]he Company Officer will note the addition of personnel in the Operational Day Book . . ."*

Finally, page 8 states:

*"The first day back of each set, or first weekday, whichever is first, FC2 will hold an Accountability & Payroll Meeting to review the previous set payroll procedures for accuracy. Specifically, the following individuals will attend:*

*Assistant Fire Chief  
Suppression Battalion Chiefs*

*The following items will be reconciled during this meeting:*

*Operational Day Book for each Apparatus  
RMS Daily Roster  
WOC / Specialty Pay Verification  
Mileage Reimbursement Verification  
OFD-68 Reconciliation"*

# CITY OF OMAHA FIRE DEPARTMENT

## COMMENTS AND RECOMMENDATIONS

(Continued)

### 1. OFD Payroll Procedures (Concluded)

The APA found that for 19 of 49 employees tested, the applicable Operational Day Book entries were not properly signed by the firefighters assigned. Additionally, as required in the OFD Accountability Procedures, the Operational Day Books were not always reconciled to the other documents during the Accountability & Payroll meetings.

Good internal controls require that the procedures performed reflect the written policies of the entity.

We recommend the City:

- Review its payroll procedures to ensure manual entries are adequately reviewed and approved to reduce the risk of errors.
- Properly document the approval for bureau employees working out of class.
- Either follow the written procedures for the use of the Operational Day Books or revise the procedures to reflect the City's current practices.

*City's Response: The City is in the process of implementing EmpCenter Time & Attendance which will automate the payroll process. The Civilian employees for the City of Omaha went live on this new system May 27, 2012. The Fire Bargaining Group will begin testing in June of 2012 with implementation scheduled before the end of the year.*

### 2. OFD Payroll Testing

The APA tested 49 of approximately 580 suppression employees, 10 of 40 bureau employees and 3 of 4 administrative employees for one pay period and found the following:

#### Suppression Employees

The APA tested one pay period for each of the 49 suppression employees and found the following:

- 1) **Incorrect Longevity Pay:** Longevity pay was paid incorrectly for eight suppression employees tested, as follows:

Position	Pay Period Tested	Hire Date	Correct Amounts per Pay Period Tested			Amount Paid per Pay Period Tested			Amount of Under or Overpayment per Pay Period Tested
			Number of Years Employed	Annual Longevity Payment	Biweekly Longevity Payment	Number of Years Employed	Annual Longevity Payment	Biweekly Longevity Payment	
Employee A (FAE)	7/24/2011 to 8/6/2011	6/12/1995	16	\$1,587	\$61.04	14	\$1,192	\$45.85	(\$15.19)
Employee B (FAE)	7/24/2011 to 8/6/2011	3/10/1997	14	\$1,192	\$45.85	13	\$1,032	\$39.69	(\$6.16)
Employee C (BC)(1)	4/17/2011 to 4/30/2011	6/12/1995	15	\$2,133	\$82.04	14	\$2,095	\$80.58	(\$1.46)

CITY OF OMAHA FIRE DEPARTMENT

COMMENTS AND RECOMMENDATIONS

(Continued)

2. **OFD Payroll Testing** (Continued)

Position	Pay Period Tested	Hire Date	Correct Amounts per Pay Period Tested			Amount Paid per Pay Period Tested			Amount of Under or Overpayment per Pay Period Tested
			Number of Years Employed	Annual Longevity Payment	Biweekly Longevity Payment	Number of Years Employed	Annual Longevity Payment	Biweekly Longevity Payment	
Employee D (BC)(2)	2/20/2011 to 3/5/2011	3/10/1997	14	\$2,065	\$79.42	14	\$2,095	\$80.58	\$1.16
Employee E (FAE)	2/20/2011 to 3/5/2011	10/30/2000	10	\$1,032	\$39.69	9	\$714	\$27.46	(\$12.23)
Employee F (FF)	12/11/2011 to 12/24/2011	10/4/1999	12	\$1,162	\$44.69	13	\$1,290	\$49.62	\$4.93
Employee G (Capt)	6/26/2011 to 7/9/2011	4/8/1996	15	\$1,585	\$60.96	14	\$1,243	\$47.81	(\$13.15)
Employee H (FF)	4/17/2011 to 4/30/2011	6/12/1995	15	\$1,506	\$57.92	14	\$1,164	\$44.77	(\$13.15)

Note: Longevity pay increases are calculated on the first day of the month of the employee's service anniversary.

- (1) This employee should have been at 15 years of service for longevity pay, but was paid longevity for 14 years of service. Additionally, the rate paid for the 14 years was incorrectly recorded into the system.
- (2) The correct years of service were used, but the rate was incorrectly recorded into the accounting system.

The City's accounting system was incapable of automatically changing the longevity payment at each service anniversary; therefore, updating the longevity pay in the system was a manual process. Because longevity changes were effective at the beginning of each month, a payroll analyst reviewed the list of changes and made manual adjustments to the system. The longevity pay errors found were a result of data entry mistakes. There was no review process after longevity dates were entered, so these errors were not caught by the OFD.

This manual process increases the risk of other errors not being detected, as the APA selected only a small sample of the employees to test.

Without adequate review procedures over manual changes to the accounting system, there is an increased risk for errors to occur and remain undetected.

- 2) ***Incorrect Overtime Rates:*** Eight of the 49 suppression employees tested, had overtime that was not paid in accordance with the terms of the labor agreement; all 8 were overpaid. Article 17, section 4, of that agreement states:

*“Work performed by those employees covered under Section 1 hereof, in excess of their normal duty shift shall be compensated at the rate of one (1) hour of straight time or one and one-half (1-1/2) times the actual number of hours worked in excess of their normal duty shift, whichever is greater . . .”*

It does not appear the provisions of the agreement were properly followed, particularly for individuals who worked less than one hour of overtime.

CITY OF OMAHA FIRE DEPARTMENT

COMMENTS AND RECOMMENDATIONS

(Continued)

2. **OFD Payroll Testing** (Continued)

Description	Regular Rate of Pay	Overtime Hours Worked	One Hour at Straight Time			Actual Hours at Time and One Half			Greater	Overtime Amount Paid	Over-payment
			Hours	Rate	Amount	Hours	Rate	Amount			
Employee I (FF) (1)	\$20.37	0.50	1	\$20.37	\$20.37	0.50	\$30.56	\$15.28	\$20.37	\$30.56	\$10.19
Employee C (BC) (1)	\$28.62	0.75	1	\$28.62	\$28.62	0.75	\$42.93	\$32.20	\$32.20	\$42.95	\$10.75
Employee J (BC) (1)	\$31.39	0.42	1	\$31.39	\$31.39	0.42	\$47.09	\$19.78	\$31.39	\$47.09	\$15.70
Employee K (FAE)(1)	\$22.34	0.50	1	\$22.34	\$22.34	0.50	\$33.51	\$16.76	\$22.34	\$33.51	\$11.17
Employee G (Capt)(1)	\$24.27	0.67	1	\$24.27	\$24.27	0.67	\$36.41	\$24.27	\$24.27	\$36.41	\$12.14
Employee L (FAE) (1)	\$21.17	0.33	1	\$21.17	\$21.17	0.33	\$31.76	\$10.48	\$21.17	\$31.76	\$10.59
Employee M (FF) (2)	\$21.12	0.25	1	\$21.12	\$21.12	0.25	\$31.68	\$7.92	\$21.12	\$21.12	\$0.00
		0.50	1	\$21.12	\$21.12	0.50	\$31.68	\$15.84	\$21.12	\$31.68	\$10.56
		1.00	1	\$21.12	\$21.12	1.00	\$31.68	\$31.68	\$31.68	\$31.68	\$0.00
		1.25	1	\$21.12	\$21.12	1.25	\$31.68	\$39.60	\$39.60	\$39.60	\$0.00
Employee N (FF) (2)	\$21.12	0.250	1	\$21.12	\$21.12	0.25	\$31.68	\$7.92	\$21.12	\$21.12	\$0.00
		0.500	1	\$21.12	\$21.12	0.50	\$31.68	\$15.84	\$21.12	\$31.68	\$10.56

(1) Was paid 1 hour at time and one half.

(2) The APA could not determine with certainty which hours worked were paid at straight time and which hours worked were paid at time and one half. The APA's calculation includes 1 hour at time and one half for the .50 hours worked for each employee.

Overtime hours were recorded into either the overtime 1.0 or overtime 1.5 pay category through a manual process. The errors included above were a result of mistakes made during this process.

Without adequate review procedures over manual changes to the accounting system, there is an increased risk for errors to occur and remain undetected.

3) **Hours Worked Not Recorded in RMS:** One suppression employee worked two shifts that were not recorded in the RMS database, which is considered the official record by the OFD. Despite not being entered into RMS, these hours were still paid to the employee.

Name	Issue	Amount Paid
Employee J (BC)	RMS did not record the two 24-hour shifts worked 12/12/2011 and 12/14/2011.	\$1,506.72

The employee's name was recorded in the Operational Day Book for the two days in question, but he did not sign the day book. Additionally, the employee was paid overtime on December 13, 2011, because he was held over his regular shift for 25 minutes. There was no documentation that the employee used leave, so it appears the hours were actually worked but not recorded properly.

CITY OF OMAHA FIRE DEPARTMENT

**COMMENTS AND RECOMMENDATIONS**

(Continued)

**2. OFD Payroll Testing (Continued)**

The payroll system is designed to pay suppression employees for the regularly scheduled shifts, unless leave requests are recorded. Therefore, without adequate review procedures to ensure time worked is properly recorded, there is an increased risk for errors to occur and remain undetected.

- 4) ***Overtime Hours Not Fully Paid:*** Overtime hours paid to two suppression employees did not agree to the overtime hours recorded in RMS, resulting in underpayments to the employees.

Name	Issue	Amount Underpaid
Employee O (Capt)	Employee had 11.5 hours of overtime worked recorded in RMS on 12/18/2011. The overtime was received when the employee was called back to work on a scheduled day off. He was paid only for 10.5 hours, instead of the 11.5 hours he worked.	38.64
Employee P (FF)	In a prior pay period, employee worked 12.5 hours of overtime. Due to an issue with the submission of the overtime hours, the overtime was not paid until the pay period tested by the APA. The employee was paid only for 12 hours of overtime, instead of the 12.5 hours actually worked.	\$15.28

Without adequate review procedures to ensure time worked is properly paid, there is an increased risk for errors to occur and remain undetected.

- 5) ***Specialty Pay Not Paid:*** One suppression employee was not properly paid for specialty pay earned, resulting in an underpayment to this employee.

Name	Issue	Amount Underpaid
Employee P (FF)	Employee earned 55 hours of 3% paramedic specialty pay, but was not compensated. It appears a clarification of hours worked was requested by the payroll staff; however, because no response was received, the hours earned were never paid.	\$36.55

- 6) ***Noncompliant Pay Reduction:*** One suppression employee's pay was not reduced in accordance with the terms of the labor agreement. Article 6, Section 10, of that agreement states:

*"If an employee (probationary or otherwise) loses his/her privilege to operate a motor vehicle for ninety (90) days or less, as above, and promptly reports the loss to his/her supervisor . . . [t]he employee shall (during the period in which he/she does not have the privilege of operating a motor vehicle) be reduced in pay to the next lower pay level which is closest to a 10% pay reduction but does not exceed a 10% reduction . . . The above shall be final and binding on all parties . . ."*

**CITY OF OMAHA FIRE DEPARTMENT**

**COMMENTS AND RECOMMENDATIONS**

(Continued)

**2. OFD Payroll Testing (Continued)**

Name	Issue	Original Pay Rate (Step G)	Amount Paid (Step F)	Percent Difference	Correct Amount (Step E)	Percent Difference	Amount Overpaid
Employee Q (FF)	Employee lost his driver's license after a DUI conviction. The OFD reduced his pay rate only one step, which resulted in a 4.95% reduction. To comply with the labor agreement, the pay rate should have been reduced by two steps, resulting in a 9.80% reduction to comply with the labor agreement.	\$2,400.16	\$2,281.44	4.95%	\$2,164.96	9.80%	\$116.48

7) ***Longevity and Uniform Pay – Military Leave:*** The OFD pays employees up to 180 hours of military pay per the labor agreement. The city allows employees to use this paid leave in any increment they chose in order to maintain city benefits while on military leave. As a result, employees are generally being paid while on military leave; however, it does not appear they are receiving all eligible compensation. Two employees tested received paid military leave but did not receive longevity pay or the uniform allowance provided under the labor agreement. The following tables show their earnings for the pay periods tested:

Employee T (FAE)	Hours	Amount
Military Leave Paid	10	\$230.20
Military Leave Without Pay	93	\$0.00

Employee U (FF)	Hours	Amount
Military Leave Paid	4	\$79.55
Military Leave Without Pay	99	\$0.00

Article 19, Section 1, of the labor agreement states:

*“Each employee who, during a biweekly payroll period has received compensation from the CITY for work performed or utilization of paid leave shall receive longevity pay in addition to their regular salary . . .”*

Article 24, Section 1, of the labor agreement states:

*“Each employee who during a biweekly payroll period has received compensation from the City for work performed or utilization of paid leave shall receive uniform allowance . . .”*

It is the City's long-standing interpretation that an employee must be in a paid status for at least one half of the bi-weekly pay period in order to receive longevity or any other specialty pay. However, according to the language in the labor agreement, as cited above, it appears that any employee, who has received compensation from the City, is entitled to longevity pay and the uniform allowance.

8) ***Clarification of Labor Agreement Language:*** One suppression employee received specialty pay for working on what the labor agreement refers to as Rescue 32. However, the employee actually worked on Rescue 51. Article 49, Section 12, of the labor agreement states:

# CITY OF OMAHA FIRE DEPARTMENT

## COMMENTS AND RECOMMENDATIONS

(Continued)

### 2. OFD Payroll Testing (Continued)

*"Effective on December 22, 2002, any employee that is permanently assigned to Rescue No. 32 shall receive \$200.00 per month or \$92.31 per pay period."*

According to the City, the apparatus was originally called Rescue 32, but the name changed to Rescue 51 when it was moved to Station 51. The employee earned and appropriately received this specialty pay for working on the apparatus; however, the language in the labor agreement does not reflect the current practice of providing the specialty pay for working on Rescue 51. The amount of employee pay appeared proper; the apparatus number needs to be updated appropriately.

- 9) ***Injured On Duty Pay Reduction:*** The labor agreement does not clearly identify when Injured on Duty (IOD) pay is to be reduced. Currently, the City reduces the IOD pay only during pay periods in which no other regular hours worked are paid.

In Case No. 1173 (2008), the Nebraska Commission of Industrial Relations (CIR) ruled as follows:

*"The Respondent [City] shall continue to provide injured on duty leave with the maximum amount at 365 days. The Respondent shall change how employees are compensated when injured on duty from 100% salary for a period of one year to receiving full pay."*

Denying an IOD-related claim by a former OFD employee, the City explained both the purpose and the practical effect of that CIR ruling:

*"The City of Omaha Law Department has analyzed [OFD employee's] claim. It is their belief and contention that the claim should be denied for the reason that [OFD employee] was receiving full pay as mandated by the Commission of Industrial relations 2008 decision which directed that employees be paid full pay while on IOD. This means that firefighters receive the same pay they would have received if they had not been hurt. The Decision of the Commission of Industrial Relations on December 24, 2008 provides for a change in the method by which individuals on IOD are paid from 100% of compensation to full pay. Injured on duty pay is not subject to federal and state income tax, so individuals on IOD who receive 100% of their pay receive more take home pay than if they were working. The adjustment is made to insure that [OFD employee] does not receive a premium by being on IOD."*

The following tables show the earnings, as well as the state and federal taxes withheld from, two employees tested with IOD pay:

CITY OF OMAHA FIRE DEPARTMENT

**COMMENTS AND RECOMMENDATIONS**

(Continued)

**2. OFD Payroll Testing (Continued)**

Employee Q (FF)		Employee S (FF)	
IOD/WC	\$1,395.65	Regular	\$1,507.18
IOD	\$ 885.79	IOD/WC	\$ 525.77
IOD Reduction	\$ (133.71)	IOD/WC	\$ 410.99
Longevity	\$ 63.81	Longevity	\$ 35.27
Holiday	\$ 86.17	Holiday	\$ 89.34
Haz Mat A	\$ 31.90	Call-MM	\$ 300.96
Haz Mat N	\$ 45.63	Uniform	\$ 16.04
Uniform	\$ 17.73		
Total Earnings	\$2,392.97	Total Earnings	\$2,885.55
Federal Income Taxes	\$ 0.00	Federal Income Taxes	\$ 182.18
State Income Taxes	\$ 0.00	State Income Taxes	\$ 68.96

Employee Q, who received IOD pay for the entire period, was granted an IOD reduction. This employee had no federal or state taxes withheld. Employee S, who was on IOD pay for only 43.5 hours of the pay period, did not receive an IOD reduction. This employee had federal and state taxes withheld on regular earnings only.

As illustrated by the two employees examined, the City implements the CIR "full pay" ruling differently, depending upon whether an individual receives IOD pay for either an entire pay period – in which case only full pay is provided – or a partial pay period – in which case 100% compensation is provided on the IOD pay. Because no basis for such a distinction is found in either the CIR ruling or the labor agreement, it appears that a full pay reduction should be applied to all IOD payments, regardless of whether for a full or partial pay period.

Bureau Employees

The APA tested 10 of 40 bureau employees’ payroll payments for one pay period. The following issues were found:

- Two bureau employees did not receive the \$92.31 per pay period bureau allowance to which all detached or permanently assigned bureau employees are entitled.
- One bureau employee was paid \$274 for eight hours of overtime work, which was not recorded on the OFD-3 time and attendance report. The OFD was able to provide an approved Overtime Report, called an OFD-23, which supported the eight hours of education for that firefighter.
- Three bureau employees were paid longevity pay for positions other than their current OFD position. Paramedic shift supervisors and drill masters received longevity pay at the Fire Captain’s rate, while the Assistant Fire Marshals received longevity pay at the Battalion Chief’s rate. The paramedic shift supervisors, drill masters and assistant fire marshal positions were not among the longevity pay tables included in the labor agreement or CIR rulings; therefore the APA was unable to determine if the longevity amounts paid to those employees were accurate.

# CITY OF OMAHA FIRE DEPARTMENT

## COMMENTS AND RECOMMENDATIONS

(Continued)

### 2. OFD Payroll Testing (Continued)

#### Administrative Employees

The APA tested three of four fire management employees and found that the OFD did not require adequate documentation of the hours actually worked by them. These employees are typically on call 24 hours per day; however, without adequate documentation of hours worked, there is no way to determine if their leave balances are correct.

Additionally, for the pay periods tested, one Assistant Fire Chief's gross wages did not accurately reflect all fringe benefits received, as his commuting allowance was not included in his pay. Assistant Fire Chiefs were provided with a City-owned vehicle, which they are allowed to take home with them. According to IRS guidelines, employees who use a City-owned vehicle to commute from work to home and/or from home to work must include in their gross earnings \$1.50 each way as a taxable fringe benefit.

We recommend the OFD or the City:

- Implement procedures to ensure any manual entries into the payroll system are reviewed for accuracy and correct all pay as a result of any mistakes.
- Ensure all time worked is properly documented on forms approved by the OFD, properly recorded in RMS, and properly paid.
- Ensure compliance with all terms of the labor agreement.
- Ensure labor agreement language is clear regarding all payment practices of the OFD.
- Require fire management employees adequately record all time worked to ensure any leave balances are accurate at termination and payout.

*City's Response: "Suppression Employees" - While language within the collective bargaining agreement reflects Specialty Pay being paid to those personnel assigned to R-32, contract language is more difficult to change than changing an apparatus number. Simply painting a different identification number on the side of an apparatus from R-32 to R-51 does not preclude us from honoring the language in the contract, considering there were no changes in stations, apparatus, or personnel.*

*"Bureau Employees" - The City is paying longevity pay for the Drill Master, Paramedic Shift Supervisor, and Assistant Fire Marshal ranks in the manner that it was advised to by counsel who represented the City's interests in the Commission of Industrial Relations.*

**APA Response: While it appears these job titles are entitled to longevity pay, the amount of the pay is the question. The APA requested documentation of the stipulation showing both parties agreed to longevity being paid in this way. The City replied, "There is no written documentation as such." Therefore, the three employees in question received longevity pay that is not documented in writing between the City and the labor union, as follows:**

**CITY OF OMAHA FIRE DEPARTMENT**

**COMMENTS AND RECOMMENDATIONS**

(Continued)

**2. OFD Payroll Testing (Concluded)**

**APA Response, Concluded:**

<b>Job Title</b>	<b>Longevity Paid Per Biweekly Pay Period</b>	<b>Longevity Table Used</b>	<b>Years of Service</b>
Paramedic Shift Supervisor	\$86.88	Fire Captain	23
Assistant Fire Marshal	\$185.04	Battalion Chief	24
Drill Master	\$84.58	Fire Captain	21

**3. City's OFD "Open Orders"**

The City has no formal procedures for the management of "Open Order" purchases. The City uses "Open Orders" to facilitate smaller, routine purchases from reliable vendors. "Open Orders" do not require City departments to obtain quotes or to seek approval from the City Purchasing Department for each individual purchase. Instead, these "Open Orders" have been previously approved by the Purchasing Agent based upon a bidding process or sole source relationship. The following payments were made by OFD to these "Open Order" vendors for February 1, 2011, through January 31, 2012:

<b>Supplier Name</b>	<b>Amount</b>
ZOLL MEDICAL CORP (Note 2)	\$ 84,211.86
HEIMAN FIRE EQUIPMENT INC	\$ 81,393.68
BOUND TREE MEDICAL LLC	\$ 65,534.89
HENRY SCHEIN INC	\$ 55,529.49
LIFE ASSIST INC	\$ 43,972.61
MOORE MEDICAL LLC	\$ 41,405.70
MIDWEST MEDICAL SUPPLY CO LLC	\$ 40,310.97
ED M FELD EQUIPMENT CO (Note 1)	\$ 34,710.27
VERIZON WIRELESS	\$ 31,222.17
FIRSTLINE GLOVES INC	\$ 25,750.62
ARAMARK UNIFORM & CAREER APPAREL	\$ 25,295.22
LINWELD INC	\$ 17,412.36
MUNICIPAL EMERGENCY SERVICES	\$ 15,141.85
VIDACARE CORP	\$ 14,803.80
D & D COMMUNICATIONS	\$ 14,270.23
FIRST MANAGEMENT INC	\$ 13,980.95
OMAHA COMPOUND CO	\$ 11,800.05
PAYLESS OFFICE PRODUCTS	\$ 10,980.01
TOSHIBA FINANCIAL SERVICES	\$ 10,180.02
KENTRON HEALTH CARE INC	\$ 8,239.30
AMSAN LLC	\$ 6,237.05
TERMINIX	\$ 4,336.00

CITY OF OMAHA FIRE DEPARTMENT

COMMENTS AND RECOMMENDATIONS

(Continued)

3. City's OFD "Open Orders" (Continued)

Supplier Name	Amount
DANKO EMERGENCY EQUIPMENT CO	\$ 3,859.68
KREISERS INC	\$ 3,508.53
FIREGUARD INC	\$ 3,359.61
FERRELLGAS	\$ 2,334.69
BISHOP BUSINESS EQUIPMENT	\$ 2,304.98
VOSS LIGHTING	\$ 2,091.48
RACOM CORP	\$ 2,068.86
ANDYS SHOE REPAIR	\$ 1,792.00
THERMO KING CHRISTENSEN	\$ 1,558.73
ATS THE BEEPER PEOPLE	\$ 1,454.37
ALAMAR UNIFORM	\$ 1,036.00
BETTER BUSINESS EQUIPMENT	\$ 1,008.74
OMEGA CHEMICAL	\$ 988.97
INTERSTATE ALL BATTERY CENTER	\$ 381.02
TOSHIBA BUSINESS SOLUTIONS	\$ 378.86
UNITED PARCEL SERVICE	\$ 82.67
<b>TOTAL</b>	<b>\$ 684,928.29</b>

*Note 1 - An additional purchase of \$582,390 for three ambulances were made from this vendor through a formal bidding process.*

*Note 2 - An additional payment of \$32,562.52 was made to this vendor for the partial payment of items approved through City Ordinance.*

During our testing, the APA found the following additional issues with the "Open Orders" process:

- First Management's "Open Order" expired on May 31, 2011, but a payment of \$13,981 was made on this "Open Order" on November 17, 2011, almost six months after the expiration date. No new bids had been requested after the "Open Order" expired.
- The City could not provide documentation to support the award of two "Open Orders," including the last time the "Open Orders" were bid. The two vendors were Linweld and Omaha Compound.
- In June 2011, the OFD traded 18 used telemetry devices for updated ones through Verizon, the City's cellular service provider. The OFD should have received a credit of \$6,840 for the trade of these telemetry devices; however, that credit was never obtained. The APA discovered this overpayment during its testing.

The OFD follows the City's Purchasing Department's Purchasing Manual. The manual mentions "Open Orders" three times but lacks any specific procedures or guidelines for them. The City's Assistant Purchasing Agent explained that no additional procedures or policies govern "Open Orders." Likewise, no guidelines exist for the terms of an "Open Order," which are only reviewed, rebid, or extended at the request of the Purchasing Department. The Assistant Purchasing Agent explained:

# CITY OF OMAHA FIRE DEPARTMENT

## COMMENTS AND RECOMMENDATIONS

(Continued)

### 3. **City's OFD "Open Orders"** (Concluded)

*"The City has a series of separate purchase agreements with many vendors that run for a period of many years. These POs are called 'Open Orders'. Open Orders are awarded to suppliers to purchase materials on as [sic] 'as needed' basis month to month.*

*The existence of that relationship does not create a contract involving appropriations out of more than one fiscal year. The relationship continues because the City deems it a favorable one – not because it is bound by a contract. Open Orders gives [sic] the City a right to opt out for any subsequent year of performance, is [sic] not bound beyond present appropriations, and does [sic] not require Ordinance approval under the Home Rule Charter."*

A good internal control plan requires formal policies and procedures to ensure all purchases by the City are made from the best possible vendor, and vendor selection is reviewed on an established, periodic basis.

Without adequate, formal policies and procedures related to "Open Orders," there is an increased risk that purchases will not be made from the least expensive responsible vendors. Additionally, without a proper method to follow-up on credits, there is an increased risk of overpayments to vendors.

We recommend the City establish formal policies and procedures related to its "Open Orders," which would include the duration and frequency of rebidding. In addition, we recommend the OFD review and update its procedures in order to ensure all credits from vendors are received.

### 4. **Payments Received from the Elkhorn Suburban Fire Protection District (ESFPD)**

The City of Omaha and the OFD entered into an agreement with the Elkhorn Suburban Fire Protection District No. 2 (ESFPD) in April 2009 to provide fire and emergency services for the ESFPD in exchange for yearly payments based on a formula set forth in the agreement. Per the agreement, the City bills the ESFPD in September of each year for the following year's payments, and the ESFPD is required to make quarterly payments the following year on March 1, June 1, September 1, and December 1. Any payments over 20 days late are subject to a late fee of 1% per month.

The City received \$2,359,702 in payments from the ESFPD between February 1, 2011, and January 31, 2012, which were not recorded as revenues. Those payments were recorded instead as a reduction in expenditures, which understates both the OFD's payroll expenditures and the City's revenues.

# CITY OF OMAHA FIRE DEPARTMENT

## COMMENTS AND RECOMMENDATIONS

(Continued)

### 4. Payments Received from the Elkhorn Suburban Fire Protection District (ESFPD) (Concluded)

Neb. Rev. Stat. § 13-504 (Reissue 2007) provides, in relevant part:

*“(1) Each governing body shall annually prepare a proposed budget statement . . . A proposed budget statement shall contain the following information, except as provided by state law:*

*(a) For the immediately preceding fiscal year, the revenue from all sources . . . and the amount of actual expenditures . . .*

*(b) For the current fiscal year, actual and estimated revenue from all sources . . . and the amount of actual and estimated expenditures . . . “*

By not properly recording revenues in its accounting system, the City may not be in compliance with the above State statute, which requires all revenues and expenditures to be reported in its proposed budget statement.

We recommend the City record all payments received as revenues, so as to reflect properly their revenues and expenditures in the annual budget statement.

### 5. OFD Board-Up Vendors List

The OFD maintains a list of vendors who are called to perform board-up services, which includes boarding up and securing burned buildings. Instead of receiving payment directly from the City or the OFD, board-up vendors bill the property owners or the owners’ insurance company for the service provided. Thus, fire scenes are secured from the general public in an expedient manner by a reliable vendor at no cost or obligation to either the City or the OFD.

The OFD lacks formal procedures for implementing its board-up vendors list to ensure all vendors are provided an equal opportunity to provide services.

Prior to December 2010, Paul Davis Restoration, an independent vendor, approached the OFD with the idea of providing board-up services at fire scenes for no charge to the City. The vendor proposed billing the property owner or insurance company for the services. A formal agreement was signed in December 2010, and the vendor was the sole entity responsible for providing this service until June 2011, when additional vendors were added to the list. See **Attachment B** for a copy of the agreement between the City of Omaha and Paul Davis Restoration.

# CITY OF OMAHA FIRE DEPARTMENT

## COMMENTS AND RECOMMENDATIONS

(Continued)

### 5. OFD Board-Up Vendors List (Continued)

The OFD's Public Information Officer (PIO) entered into vendor agreements with two additional board-up service providers, Accent DKI, doing business as 1-800-Board-Up, and Carberry Construction, adding them both to the rotating list. Carberry Construction responded to one call from the OFD. After being unable to obtain payment from the property owners or insurance companies, however, Carberry Construction refused to perform any additional board-up work.

The remaining two vendors were to be called on a rotating basis, but the OFD was unable to provide any documentation specifying which vendor was called to particular fire scenes from June 2011 through February 2012. The former PIO retired on March 1, 2012, and did not leave any records related to the board-up list, except for copies of the three vendor agreements.

The current PIO was able to provide a list of fire scenes and vendor calls for the first few days of March 2012. The vendors were called on an alternating basis. One vendor, 1-800-Board-Up, did refuse to board-up a fire scene, so the other vendor, Paul Davis Restoration, was called and responded. The current PIO indicated the vendor that refused to respond would be the next vendor contacted.

The "Omaha Fire Department Board-Up Service Call List Policy" is part of the agreement signed by all participating vendors. It states:

*"As a service to the residents and businesses within the Omaha fire Department's jurisdiction, The Omaha Fire Department utilizes a registry list of board-up companies to assist property owners in selecting a company following a fire or other emergency. In instances where property owners do not have a preference, the Omaha Fire Department contacts registered companies (on a rotating basis) who have met the criteria set forth below."*

That policy states also:

*"The Omaha Fire Department offers no minimum guarantee of the amount of business or the frequency of demand for the board-up company's services and no monies or other such compensation shall be provided by the Omaha Fire Department to a board-up company participating in the rotating call list program. Being placed on the rotating call list program does not guarantee the board-up contractor receiving any referrals from the Omaha Fire Department. Nothing in these specifications shall be construed to be otherwise."*

The policy providers further:

*"The Omaha Fire Department, in its sole discretion, may modify the conditions and procedures for participating in the rotating call list program; remove a qualified board-up company from the rotating call list program at any time for any reason; or,*

# CITY OF OMAHA FIRE DEPARTMENT

## COMMENTS AND RECOMMENDATIONS

(Continued)

### 5. **OFD Board-Up Vendors List** (Concluded)

*discontinue the rotating call list program. Because a board-up company may be removed from the rotating call list program without any limitation at the discretion of the Omaha Fire Department, a board-up company accepted into the rotating call list program shall not be conferred with any property interest, vested right, or other continuing protectable interest in participating in the rotating call list program.”*

Despite the amount of detail contained therein, the “Omaha Fire Department Board-Up Service Call List Policy” contains no specific guidelines for the proper rotation process. Per discussion with the current PIO and one of the three Assistant Fire Chiefs, moreover, the OFD has no other formal policies or procedures governing how the rotation process is to work. Thus, there is an increased risk that the board-up list may not be properly utilized on a rotating basis.

A good internal control plan requires documented procedures to ensure the board-up vendor list is properly implemented and monitored.

We recommend the OFD create formal policies and procedures to ensure the board-up list is implemented properly, including calling vendors on a rotating basis and adequately monitoring vendor performance. We also recommend the board-up list records be adequately protected and maintained.

### **APA Overall Conclusion**

The City’s and the OFD have made strides to improve the internal controls over the payroll process. However, many of the procedures require manual input and re-entry of information, which leads to a high risk for errors to occur. While many improvements have occurred, there are still some areas of concerns with lack of documentation and inadequate internal controls. The most serious of these concerns resulted in over and under payments to OFD employees, such examples have been noted above and need to be addressed.



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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### CITY OF OMAHA FIRE DEPARTMENT

### INDEPENDENT ACCOUNTANT'S REPORT

We have examined the accompanying Schedule of Employee Wages of the City of Omaha (City) Fire Department (OFD) as of and for February 1, 2011, through January 31, 2012. The OFD's management is responsible for the Schedule. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the Schedule referred to above presents, in all material respects, Employee Wages of the OFD for February 1, 2011, through January 31, 2012, based on the accounting system and procedures prescribed by the City as described in Note 1.

In accordance with *Government Auditing Standards*, we are required to report findings of deficiencies in internal control, violations of provisions of contracts or grant agreements, and abuse that are material to the Schedule and any fraud and illegal acts that are more than inconsequential that come to our attention during our examination. We are also required to obtain the views of management on those matters. We performed our examination to express an opinion on whether the Schedule is presented in accordance with the criteria described above and not for the purpose of expressing an opinion on the internal control over the Schedule or on compliance and other matters; accordingly we express no such opinions. Our examination disclosed no findings that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Omaha City Council, others within the OFD, and the appropriate regulatory agencies. However, this report is a matter of public record and its distribution is not limited.

SIGNED ORIGINAL ON FILE

June 4, 2012

Mike Foley  
Auditor of Public Accounts

CITY OF OMAHA FIRE DEPARTMENT

**SCHEDULE OF EMPLOYEE WAGES**

For the period February 1, 2011 through January 31, 2012

<b>Account Number and Description</b>	<b>Amount</b>
41111 PAYROLL CLASSIFIED REGULAR	\$ 35,080,330
41112 INJURED ON DUTY	\$ 144,881
41121 LONGEVITY	\$ 635,888
41122 COLLEGE INCENTIVE	\$ 5,100
41124 OVERTIME PAY	\$ 251,254
41125 HOLIDAY PAY	\$ 1,686,312
41126 COURT PAY	\$ 3,183
41127 CALL IN PAY	\$ 368
41128 FLSA PAY	\$ 735,686
41131 ANNUAL & SICK LV BAL PAYOFF	\$ 874,004
41132 COMPENSATED TIME PAYOFF	\$ 656,356
41135 SPECIALTY PAY	\$ 1,457,862
41141 COMP TIME USED	\$ 10,591
41161 WORKERS COMPENSATION	\$ 247,753
41162 SICK LEAVE	\$ 1,173,799
41163 ANNUAL LEAVE	\$ 2,897,669
41164 MILITARY LEAVE	\$ 52,301
41165 WORKING OUT OF CLASS	\$ 80,414
41166 MINIMUM MANNING PAY	\$ 881,731
41167 ANNUAL LEAVE SELLBACK	\$ 4,489
<b>TOTAL EMPLOYEE WAGES</b>	<b>\$ 46,879,971</b>

# CITY OF OMAHA FIRE DEPARTMENT

## NOTES TO FINANCIAL SCHEDULES

For the period February 1, 2011 through January 31, 2012

### 1. Criteria

#### **Reporting Entity**

The City of Omaha, Nebraska (the City) was incorporated on February 2, 1857. The City operates under a Home Rule Charter and has a Mayor-Council form of government with an elected full-time chief executive, the Mayor, and an elected legislative body, the Council, composed of seven members. The seven Council members each represent one of the City's seven districts. The Mayor and members of the Council are elected through popular vote to four-year terms. The City is a political subdivision of the State of Nebraska.

The OFD was established by the City under Article III, Section 3.11, of the City Charter.

Procurement of goods and services is through the Douglas County Purchasing Department, a partnership of the City and Douglas County.

The accounting policies of the OFD are on the basis of accounting prescribed by the City of Omaha. The City utilizes the Oracle system to maintain its general ledger and other detailed records within its accounting system.

The wage types presented in the Schedule of Employee Wages are generally self-explanatory. The background section of this report provides more detailed information on the different pay types included in the Schedule of Employee Wages.

### 2. Back Pay Wages

The City recorded a \$3,619,494 accrual – \$2,955,413 for estimated back pay and \$664,081 for estimated benefits – based on expected rulings from the CIR regarding pending cases from 2010 and 2011. This amount is not included on the Schedule of Wages Paid.

The City and the Union have not had an agreement on wages since the labor agreement expired in 2007. The Union has annually filed cases with the CIR for back pay owed because of the lack of a labor agreement. The CIR has provided rulings for the 2008 and 2009 cases. These judgments by the CIR have been the basis for current wages for firefighters and calculation of any back pay owed them. The City makes an annual accrual for estimated back pay, resulting in an expense being recognized for the current year and a liability being established for payment of the expense in a future year.

# CITY OF OMAHA FIRE DEPARTMENT

## **SUPPLEMENTARY INFORMATION**

Our examination was conducted for the purpose of forming an opinion on the Schedule of Employee Wages. Supplementary Information is presented for purposes of additional analysis. Such information has not been subjected to the procedures applied in the examination of the schedules and, accordingly, we express no opinion on it.

CITY OF OMAHA FIRE DEPARTMENT  
OFD Accountability Procedures

**ATTACHMENT A**

**GO FC 2011-04 OFD Accountability Procedures**

**February 16, 2011**

**Daily Suppression Procedures**

At the beginning of each shift, the Company Officers will conduct a roll call to verify who is on duty. The Company Officers will then enter roll call and have all personnel sign into the Operational Day Book. The Operational Day Book will continue to be used to record information as per SOG Administrative 5-0.

Roll call will then be reported to the House Captain, Battalion Chief and Assistant Chief. The Assistant Chief will inform the Battalion Chiefs on how to reposition personnel as required to staff equipment in accordance with the minimum manning provisions of the current Collective Bargaining Agreement (CBA). The Battalion Chief will then report the required repositioning to the various House Captains, who in turn report repositioning assignments to the Company Officer for implementation.

Once notified of a repositioning assignment, the Company Officer will notify the individual of his/her repositioning assignment, and immediately document the repositioning in **BOTH** the Operational Day Book and RMS. The employee that is being repositioned will sign out of the Operational Day Book. If the Company Officer is the receiving unit, the Company Officer will note the addition of personnel in the Operational Day Book, and verify the repositioning assignment in RMS. The receiving Company Officer will have the employee sign the Operational Day Book when they arrive.

In addition to roll call, the Company Officer will verify the status of each individual assigned to his/her apparatus in RMS. If the individual is not present, then the individual must be on one of the following:

- Sick Leave
- Family Sick Leave
- Annual Leave
- Trade Time - (Out)
- Trade Time + (In)
- Comp Time
- Union Business
- Military Leave
- Military Leave Without Pay
- Funeral Leave
- Jury/Election Duty
- Family Medical Leave
- Injured on Duty
- Approved Leave without Pay

**Detached Duty Entries**

**NOTE:** The only time that a firefighter is removed (deleted) from the daily roster is when that person is Detached Duty off of the apparatus to another assignment at 0700. (Example: E1 to E65). It is the responsibility E65's Company Officer to add that firefighter to their daily roster.

CITY OF OMAHA FIRE DEPARTMENT  
OFD Accountability Procedures

**ATTACHMENT A**

**Procedures for Splitting Assignments**

**IMPORTANT:** *The comments section for any split that occurs will be filled out by the Company Officer losing the split person and the company officer receiving the split person.*

- 1) **The apparatus company officer that the firefighter is splitting from must document in the comments section where they are splitting to.**
- 2) **The receiving apparatus company officer must document in the comments section where the firefighter was split from.**

**Example:** Firefighter Smith is split from E1 to E53. Split the firefighter to the new assignment and submit the changes. The firefighter is now reassigned. After the split has occurred go back and highlight the firefighter's original assignment and under the comments section enter: "*split to E53.*" When the firefighter arrives at the new assignment the Company Officer will enter in the comments section where the firefighter came from: "*split from E1.*" The receiving Company Officer will enter the travel time under the exceptions tab and submit and save all changes.

**Splitting Assignments to Training**

**Effective immediately only personnel using POV's that are going to Training will be split to Training.**

When splitting personnel to Training use the drop down box **below** 'Assigned To' in the roster entry tab. Highlight 'Battalion' and in the box to the right find either 'Rainwood-Fire' or 'Rainwood-EMS'. These are the **only** Rainwood locations that will be used for Training purposes.

**Example:** A paramedic student on M1 is going to Training at 1300 in a POV for paramedic training. They will be split from their current assignment to Rainwood-EMS. Training will then split all personnel back to their assignments after they are done with their paramedic training session.

After Roll Call and before the end of duty shift, the Company Officer is responsible for recording any and all personnel changes, including the times of such changes, in BOTH the Operational Day Book and RMS.

At 30 minutes prior to end of shift, the Company Officer will review the final RMS Daily Roster and verify the accuracy of the Daily Roster against the Operational Day Book. The following set the Battalion Chief will print out a final copy verifying the accuracy of the data entered after cross referencing the data against the Operational Day Books, RMS and the OFD 68's. The Battalion Chief will sign this copy and turn it in to the Assistant Chief.

***NOTE:*** *Each individual firefighter's immediate supervisor remains responsible for completing **All Leave Slips** via the on-line process using Outlook.*

**Hold-Overs** All Hold-Overs are the responsibility of the Hold-Over Company Officer. The Company Officer must record the following in BOTH RMS and the Operational Day Book:

1. The start and end date and time of the hold over firefighter.
2. Add the firefighter to the RMS Daily Roster and change the Status in the Operational Day Book to either "Overtime" or "Comp"

CITY OF OMAHA FIRE DEPARTMENT  
OFD Accountability Procedures

**ATTACHMENT A**

3. The Hold-Over Company Officer is also responsible for turning in the OFD-23 Overtime Form. OFD-23 Overtime Form will be turned in electronically with the FF, B/C, and A/C carbon copied ('Cc').

**Note: When entering the assignment on the OFD-23 enter the current assignment not the permanent assignment.**

Mileage Reimbursement

It will be the responsibility of each individual employee to have an OFD 46 Mileage Reimbursement Form reviewed and signed by their apparatus company officer upon arrival to the new, repositioned duty assignment. The apparatus company officer will indicate where the employee came from and their new destination. The total reimbursable miles will be entered according to the predetermined matrix. The OFD 46 will then be signed by both the apparatus company officer and the employee. This form will be forwarded monthly both electronically and hard copy to the Battalion Chief that the employee is assigned to. Once the Battalion Chief receives the hard copy the BC will reconcile the form with the electronic version, RMS daily roster and Operational Day Book entries. The BC will send the reconciled electronic copy to the OmaF Time Keepers mailbox and the BC will sign the hard copy and bring it to the Accountability & Payroll Meeting (APM).

*The Battalion Chiefs will be the only personnel permitted to submit electronic mileage reimbursement forms to payroll.*

Daily Bureau Procedures

Each assigned Bureau staff will be responsible for completing their Bureau Time & Attendance Report daily and remitting that report to the Battalion Chief in charge of their respective Bureau. The Battalion Chief will verify and approve the time and submit the approved Bureau Time & Attendance Report to the Accountant for entry on the Bureau Manpower Report. Weekly the Accountant will provide this report to the Payroll Clerk for entry into TESS.

Scheduling The bureau shift begins at 0700 hrs. Shifts may be assigned within the 0700-1800 hour timeframe but at no time will bureau shift work begin prior to 0700 until further notice.

Flex Time Flex time is **only** authorized **within** a 40 hour week. Flex time cannot be carried over from one week to the next. No exceptions. The Bureau B/C must record all flex time as follows:

1. The time worked beyond the scheduled duty shift must be recorded on the Bureau Manpower Sheet as "Flex Time +" (on) with the start and end times.
2. The time not worked during the scheduled duty shift must be recorded on the Bureau Manpower Sheet as "Flex Time -" (off) with the start and end times.
3. If a firefighter works below 40 hours in one week due to flex time the hours not worked will be recorded as annual leave. If a firefighter works over the 40 hours in one week due to flex time, the additional hours worked will be counted as overtime or comp time at the discretion of the firefighter.
4. Flex time should only be used occasionally for work related matters that could lead to overtime. Flex time should not be used for personal appointments, that is what comp time, annual, and sick leave is for – or the lunch hour.
5. Lunch and breaks may be utilized at the end of the day in rare circumstances, on a case by case basis with supervisor approval within that day. At no time shall a break be "banked" and carried over into another day.

CITY OF OMAHA FIRE DEPARTMENT  
**OFD Accountability Procedures**

**ATTACHMENT A**

Procedures for Detached Duty Detached duty, as defined in the existing CBA, “shall mean an assignment of an employee to a position other than the employee’s Article 35 bid position.” Procedures for detached duty to the Bureau will follow the rules set forth in the current Collective Bargaining Agreement and CIR Decisions.

**Procedures for Trade Time**

The following Trade Time procedures have been put into place to ensure that all (OFD-15) Trade Time Agreements are tracked and documented.

(OFD-15) Trade Time Agreements shall be between employees of equal permanent rank. The Assistant Chief has the sole discretion to waive this requirement.

The Company Officer must record all trade time in the RMS as follows:

- 1) The firefighter taking trade time must show the appropriate start time and the appropriate end time. The status is changed to “Trade Off -”.
- 2) The firefighter giving trade time must show the appropriate start time and the appropriate end time. The status is changed to “Trade On +”.

**An (OFD-15) Trade Time Agreement form must be completed for each NEW trade and printed out on BLUE paper.**

- 1) The top ½ of the agreement is to be completed online for the date of the initial trade. The firefighter requesting the trade will submit the OFD-15 electronically to their respective Battalion Chief and the OmaF Trade Time Mailbox. The subject line must include the following: Name, ID#, and the date of the trade.
- 2) The form is then printed on blue paper indicating that this is a new trade. Both the trading and receiving firefighters must sign the agreement.
- 3) Once signed by both firefighters, it must be signed by a witness (**must be one rank above the trading parties**). The witness will complete an OFD-4 Leave Request for the employee requesting trade time. **Under the comments section, enter: New Trade with (the person’s name that you are trading with)**. This will be done immediately to ensure proper tracking of the (OFD-15) Trade Time Agreement takes place.
- 4) The original agreement is sent to the Battalion Chief of the firefighter that is requesting trade time.
- 5) When the Battalion Chief receives the (OFD-15) Trade Time Agreement they will make a copy for their records and enter the trade time into the RMS on the day of the trade.
- 6) The (OFD-15) Trade Time Agreement will then be forwarded to the Administrative Secretary through the chain of command to be filed on the date of trade.

**Note:** *If the actual trade time hours are different from the original agreed upon hours enter the actual hours worked on the agreement form and sign the form verifying the change. It will be the responsibility of the BC to make sure an OFD-4 Leave Request is resubmitted to reflect the actual hours traded.*

- Firefighters are allowed up to 12 months from the original trade date to exchange the trade.

CITY OF OMAHA FIRE DEPARTMENT  
OFD Accountability Procedures

**ATTACHMENT A**

**An (OFD-15) Trade Time Agreement form must be completed for each PAY BACK trade time and printed out on PINK paper.**

- 1) The firefighter requesting a Pay Back date must fill out the top ½ of the (OFD-15) Trade Time Agreement for the date of the Pay Back trade and submit the OFD-15 electronically to their respective Battalion Chief and the OmaF Trade Time Mailbox. The subject line must include the following: Name, ID#, and the date of the trade.
- 2) The form is then printed on pink paper indicating that this is a Pay Back trade. The trading and receiving firefighters must sign the agreement.
- 3) Once signed by both firefighters, it must be signed by a witness (**must be one rank above the trading parties**). The witness will complete an OFD-4 Leave Request for the employee requesting trade time. **Under the comments section, enter: Pay Back with (the person's name that you are trading with).** This will be done immediately to ensure proper tracking of the (OFD-15) Trade Time Agreement takes place.
- 4) The original agreement is sent to the Battalion Chief of the firefighter that is requesting Pay Back time.
- 5) When the Battalion Chief receives the (OFD-15) Trade Time Agreement they will make a copy for their records and enter the Pay Back trade time date into the RMS on the day of the Payback
- 6) The (OFD-15) Trade Time Agreement will be forwarded to the Administrative Secretary through the chain of command to be filed on the date of trade.

**Note:** *If the actual trade time hours are different from the originally agreed upon hours enter the actual hours worked on the agreement form and sign the form verifying the change. It will be the responsibility of the BC to make sure An OFD-4 Leave Request is resubmitted to reflect the actual hours traded.*

- Firefighters are allowed up to 12 months from the original trade date to exchange the trade.

**NOTE:** Trade Time Agreements must reach the Battalion Chief of the firefighter that is requesting Trade Time one duty day prior to the event (either electronic or hard copy). Said Battalion Chief will have the authority to waive the one duty shift notice requirement

**Cancelling a Trade Time Agreement**

- 1) Email the affected Battalion Chief and the OmaF Trade Time Mailbox requesting to cancel the Trade Time Agreement. **Under the subject line include Name, ID# and Date of the Initial Trade.**
- 2) It will be the responsibility of the firefighter's Company Officer to resubmit an OFD-4 Request for Leave cancelling the original Trade Time Agreement. Under the comments section indicate that you are cancelling the original agreement.

**Procedures for Injured On Duty (IOD), Injured Off Duty and detached to Light Duty**

1. Injured on Duty: Individuals who are injured on duty will be detached to Light Duty using a 40 hour work week.
2. Injured Off Duty. Individuals who:
  - a. Were hurt off duty,

CITY OF OMAHA FIRE DEPARTMENT  
OFD Accountability Procedures

ATTACHMENT A

- b. Have a doctor's note indicating they recommend or agree that the employee can work limited duty,
  - c. Have a doctor's note indicating the injury/illness will take more than ten (10) calendar days to heal,
  - d. Have applied pursuant to Article 41, Section 2 to work limited duty
- will be assigned to limited duty using a 40 hour work week. If the individual does not show up for work on the first day (except for verified sick leave use for a condition other than that for which they are off work), then the Fire Chief shall cancel the limited duty assignment and return them to their normal shift. Sick leave will then be used at the regular duty schedule.

**Procedures for Working Out of Class**

1. Suppression: Each AC maintains a Working Out of Class Seniority and Promotional List for each shift. For situations where working out of class is warranted, the AC will refer to the Working out of Class Seniority and Promotional List to fill positions as appropriate.
  - a. Each pay period the BC will submit a Working out of Class payroll report to the Payroll Clerk for processing.
2. Bureau: Working out of class in the Bureau shall follow Article 28 of the existing CBA. All individuals working out-of-class in the Bureau shall be approved by the Fire Chief. Any time an employee is called to work out-of-class, the position will be filled:
  - a. By a person who is currently assigned to that Bureau and is on the certified promotional list (in rank order)
  - b. In the event there is no person on the promotional list, then the positions shall be filled by highest seniority within that Bureau.
  - c. Each pay period the BC will submit a Working out of Class payroll report to the Payroll Clerk for processing. The payroll clerk will verify the working out of class against the promotional list, and attach the promotional list to the report.

**Payroll Processing/Verification**

The AC responsible for each shift will be responsible for preparing the OFD-68 based on the information received from the Company Officer, House Captains and Battalion Chiefs.

The Accountant will be responsible for preparing the OFD-65 based on the information received from the Battalion Chiefs.

The payroll clerk will perform the following functions daily:

1. Suppression:
  - a. Print off a preliminary OFD-68 48 hours after shift completion.
  - b. Compare the preliminary OFD-68 to supporting documentation, which includes all of the following records:
    - i. OFD-4            Leave Slips
    - ii. OFD-23        Overtime Reports
    - iii. OFD-15        Trade Time Agreements

CITY OF OMAHA FIRE DEPARTMENT  
**OFD Accountability Procedures**

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- c. The payroll clerk will ensure a leave slip is filed for every Approved Leave Status, Overtime Reports are on file for every paid hour of overtime, and a Non-City Trade Time Agreement (OFD-15) is on file for every Trade +/-.
- d. Create a discrepancy report to be sent to the AFC responsible for that shift.
- e. Resolve discrepancies in conjunction with the AFC. The AFC will then update the OFD-68 as appropriate.
- f. Copy the final OFD-68 to the "Final OFD-68 Folder".
- g. Print final.
- h. Send the original, final, discrepancy list via e-mail to the AFC.

2. Bureau:

- a. Print off a preliminary OFD-65 weekly for the prior week.
- b. Compare the preliminary OFD-65 to supporting documentation, which includes all of the following records:
  - i. OFD-4            Leave Slips
  - ii. OFD-23        Overtime Reports
- c. The payroll clerk will ensure a leave slip is filed for every Approved Leave Status and Overtime Reports are on file for every paid hour of overtime.
- d. Create a discrepancy report to be sent to the Accountant.
- e. Resolve discrepancies in conjunction with the Accountant, Bureau Chiefs, and update the Bureau Manpower Sheet as appropriate.
- f. Copy the final Bureau Manpower Sheet to the "Final Bureau Manpower" Folder.
- g. Print final.
- h. The Accountant sends the original OFD-65, final OFD-65, and discrepancy list via e-mail to the AFC.

The Accountant will review a Preprocess Report prior to finalizing payroll to verify all items are entered accurately by the Payroll Clerk.

**Accountability & Payroll Meeting (APM)**

The first day back of each set, or first weekday, whichever is first, FC2 will hold an Accountability & Payroll Meeting to review the previous set payroll procedures for accuracy. Specifically, the following individuals will attend:

Assistant Fire Chief  
Suppression Battalion Chiefs

The following items will be reconciled during this meeting:

Operational Day Book for each Apparatus  
RMS Daily Roster  
WOC / Specialty Pay Verification  
Mileage Reimbursement Verification  
OFD-68 Reconciliation

CITY OF OMAHA FIRE DEPARTMENT  
**OFD Accountability Procedures**

**ATTACHMENT A**

An OFD 68x Payroll Adjustment Form will be used for any discrepancies found during the OFD-68 Reconciliation.

**Quality Control & Accountability (QCA)**

A quarterly review of the Payroll Procedures will be conducted between Finance, Fire, Legal, and the Mayor's Chief of Staff. During the quarterly review, the following items will be reviewed:

1. A quarterly payroll update will be provided by the Accountant and Payroll Clerk. Any unresolved procedural issues over the past quarter will be discussed.
2. Bureau Working out of Class. All individuals working out of class in the Bureau will be reviewed on a quarterly basis. Specifically, the following items will be reviewed:
  - a. Number of employees working out of class.
  - b. Amount paid
  - c. Length of time working out of class
  - d. Reasons for working out of class

Minutes will be maintained of the QCA.

**APPROVED:**

**Michael McDonnell**  
**Fire Chief**

CITY OF OMAHA FIRE DEPARTMENT  
**Board-up Agreement between the City of Omaha  
and Paul Davis Restoration**

**ATTACHMENT B**

AGREEMENT

This Agreement is entered into on this 3rd day of DECEMBER, 2010 by and between the City of Omaha, a municipal corporation (herein referred to as "City"); and Paul Davis Restoration (herein referred to as "Davis"); and

WHEREAS, the City responds to fires at various structures as part of its duties; and,

WHEREAS, it is frequently necessary that a fire damaged structure be secured where an owner is absent prior to the City leaving the structure; and,

WHEREAS, the City desires to use the service of Davis in connection with the securing of fire-damaged structures where the owner is absent; and,

WHEREAS, Davis is willing to provide this service at no cost to the City and with no liability exposure to the City.

NOW, THEREFORE THE PARTIES AGREE AS FOLLOWS:

1. That the consideration that Davis is to receive for any services performed in this matter is the fact that the City calls upon Davis to perform the work of securing absent owner's structures damaged by fire.

2. Davis agrees to indemnify and hold the City harmless from any and all body injury, property, and loss of use in connection therewith for property damage, injuries to persons arising out of the work performed by Davis in connection with the securing of a structure which has been damaged by fire or work is done without the consent of the owner, and where the claim is based upon the negligence of Davis.

3. Davis agrees to respond as promptly as possible to the fire scene to secure the structure after notification by the City. Such notification shall be made by calling Paul Davis Restoration at 402 553 0373

4. Davis understands and agrees there will be no consideration paid by the City for any work they perform in responding or securing any fire damaged structure.

5. City and Davis understand that they are not creating any arrangement for any specified length of time nor for any specified number of structures in any given period of time. Either party may terminate this agreement by providing notice to the other. Further, nothing in this agreement shall be constructed to create an exclusive arrangement between City and Davis. The City reserves the right to extend similar work to other persons.

6. Davis shall maintain comprehensive general liability insurance in amounts not less than three hundred thousand dollars (\$300,000) combined, single limit for personal injury and fifty thousand dollars (\$50,000) for property damage.

CITY OF OMAHA FIRE DEPARTMENT  
**Board-up Agreement between the City of Omaha  
and Paul Davis Restoration**

**ATTACHMENT B**

7. Standard Terms.
- A. Non-Discrimination. Davis shall not, in the performance of this Agreement, discriminate or permit discrimination in violation of federal or state laws or local ordinances because of race, color, sex, age, political or religious opinions, affiliations or national origin.
  - B. Applicable Law. Parties to this Agreement shall conform with all existing and applicable city ordinances, resolutions, state laws, federal laws, and all existing and applicable rules and regulations. Nebraska law will govern the terms and the performance under this Agreement.
  - C. Interest of the City. Pursuant to Section 8.05 of the Home Rule Charter, no elected official or any officer or employee of the City shall have a financial interest, direct or indirect, in any Agreement which may involve the City. Any violation of this section with the knowledge of the person or corporation contracting with the City shall render the Agreement voidable by the Mayor or Council.
  - D. Merger. This Agreement shall not be merged into any other oral or written agreement, lease or deed of any type. This is the complete and full agreement of the parties.
  - E. Modification. This agreement contains the entire agreement of the parties. No representations were made or relied upon by either party other than those that are expressly set forth herein. No agent, employee or other representative of either party is empowered to alter any of the terms hereof unless done in writing and signed by an authorized officer of the respective parties.
  - F. Assignment. Davis may not assign its rights under this Agreement without the express prior written consent of the City.
  - G. Strict Compliance. All provisions of this Agreement and each and every document that shall be attached shall be strictly complied with as written, and no substitution or change shall be made except upon written direction from authorized representative.

PAUL DAVIS RESTORATION

CITY OF OMAHA, a municipal corporation

By  10/27/10  
Date

By  12-3-2010  
Date

CITY OF OMAHA FIRE DEPARTMENT  
**Listing of OFD Vendor Payments**  
February 1, 2011 through January 31, 2012

**EXHIBIT A**

VENDOR NAME	AMOUNT
TOYNE INC	\$ 1,893,694
ED M FELD EQUIPMENT CO	\$ 678,759
OHARA MANAGED CARE LLC	\$ 396,466
OMAHA PUBLIC POWER DISTRICT	\$ 277,294
METROPOLITAN UTILITIES DISTRICT	\$ 160,793
BANC OF AMERICA LEASING	\$ 117,966
ZOLL MEDICAL CORP	\$ 116,774
HEIMAN FIRE EQUIPMENT INC	\$ 81,394
BOUND TREE MEDICAL LLC	\$ 65,535
MECO-HENNE CONTRACTING INC	\$ 59,900
HENRY SCHEIN INC	\$ 55,529
ZOLL DATA SYSTEMS	\$ 50,835
FIREGUARD INC	\$ 45,111
LIFE ASSIST INC	\$ 43,973
MOORE MEDICAL LLC	\$ 41,406
LP CUSTODIAL & SUPPLY LLC	\$ 40,455
MIDWEST MEDICAL SUPPLY CO LLC	\$ 40,311
GLAXOSMITHKLINE PHARMACEUTICALS	\$ 39,917
COMMONWEALTH ELECTRIC COMPANY	\$ 39,558
VERIZON WIRELESS	\$ 31,222
D & D COMMUNICATIONS	\$ 28,063
FIRSTLINE GLOVES INC	\$ 25,751
ARAMARK UNIFORM & CAREER APPAREL	\$ 25,295
TOTAL OF REMAINING VENDORS	\$ 476,219
<b>TOTAL VENDOR PAYMENTS</b>	<b>\$ 4,832,220</b>